COVID-19 is an unfolding and evolving event bringing uncertainty to every business. Baker Tilly is ready to help you prioritize necessary actions and navigate your business through these unprecedented and difficult times. We have developed specific insights and solutions to assist you in responding to volatility and building financial resilience.

Rapid cash management/13-week cash flow diagnostic

As the economy continues to slow down amid COVID-19, first and foremost, businesses need to understand their cash position and working capital needs, especially if there is a need to recapitalize the business. Having a detailed cash flow analysis will help you answer key planning questions, such as:

- How far can our current cash flow position extend ongoing operations?
- How do we triage expenses?
- When may we need to implement changes to our workforce?
- Do we need to manage our non-essential suppliers differently?
- When do we approach our bank for debt leniency?
- When do we discuss flexibility with our landlord?
- When do we approach our investors for more capital?
- When do we apply for government assistance?

By taking a critical view of your operations, you can visualize how disruptions may affect cash and liquidity moving forward, and consider other adjustments you may need to think through.

Supply chain disruption and spend analysis

With COVID-19 cases growing on an hourly basis, addressing the issues within the supply chain – from delivery to personnel to significantly fluctuating demands – will be critical to helping your business react, survive and continue to succeed during these challenging times.

These are uncharted waters for everyone, but there are logical steps that you can take to ensure future success:

- Open communication with your supply chain partners regarding the challenges faced by your business within the supply chain
- System re-order point evaluation
- Demand anticipation factored into the short-term and long-term planning cycles
- Contingency planning regarding alternate supply base, nearshoring or reshoring
- Pricing analytics both up and down the supply chain

These steps are factored into the Baker Tilly supply chain and disruption spend analysis, allowing for preliminary conclusions and guidance regarding your supply chain risks and opportunities in navigating these uncharted waters.
Organizational redesign and alternative value delivery analysis

In understanding the urgency of your financial position, there may be a need to reorganize and restructure the business in order to remain nimble in the short-term. Additionally, as you look for temporary delivery models to keep employees, it is even more critical to leverage remote work best practices and collaboration tools, evaluate indirect labor and establish communication protocols to maximize productivity.

Navigating federal, state and local assistance

Having visibility into the most current relief packages and government guidance will help you ensure your business is in the best possible position to receive qualified assistance. We understand these programs are evolving every day and will provide you with the most recent information available.

How is your business looking for ways to protect value and control its liquidity outlook amid this crisis?

Additional resiliency actions

- **Communications and crisis management** – It is important to have timely and factual communication with employees, customers, suppliers, shareholders and lenders that provide status updates and key messaging that minimize uncertainty across your value chain. This can include government lending entities that will require reporting needs and financial information if loans are provided.

- **Tax considerations** – Determine the tax implications at the federal, state and local levels and how to best set a strategy to optimize the business’s position.

- **Business continuity planning** – The extent of the impact this crisis will have on your business is difficult to predict. With that in mind, it will be essential that your business plans for various scenarios in the event you need to move contingency plans into action. Thinking comprehensively about business continuity is an important activity for your business.

- **Business valuations** – The valuation of business interests and related assets in the context of financial reporting, taxes and corporate transactions is at the center of many important strategies and financial decisions.

- **Insurance plan review** – As insurance carriers determine their approach to covering the business interruption associated with this crisis, you need to understand your coverages and develop an approach to the discussions with your insurance carriers.

- **Outsourced financial services** – To assist during this interruption, there may be a need for an interim CFO or controller to provide financial support.